

AMENDED IN SENATE AUGUST 26, 2002

AMENDED IN SENATE JUNE 19, 2002

AMENDED IN ASSEMBLY MAY 14, 2002

AMENDED IN ASSEMBLY APRIL 17, 2002

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

ASSEMBLY BILL

No. 3030

Introduced by Assembly Member Corbett

March 12, 2002

An act to add Sections ~~1280.1 and 1286.5~~ *1281.84 and 1287.1* to the Code of Civil Procedure, relating to arbitration.

LEGISLATIVE COUNSEL'S DIGEST

AB 3030, as amended, Corbett. Arbitration.

(1) Existing law permits consumers to contract to arbitrate and regulates the conduct of arbitrations. ~~Existing law requires a person who is to serve as a neutral arbitrator to disclose all matters that could cause a person aware of the facts to reasonably doubt the person's impartiality, and provides a method for disqualifying a proposed neutral arbitrator.~~

This bill would provide that a private arbitration company ~~is not immune from liability in a civil action with respect to a consumer arbitration, and would provide that a private arbitration company may be immune for the acts and omissions of an arbitrator it provides in a consumer arbitration to the same extent that an arbitrator may have immunity. The bill would void, as contrary to public policy, a contract provision, rule of procedure, or policy that purports to immunize or~~

~~limit the liability of a private arbitration company in a consumer arbitration contrary to its provisions. The bill would state that its provisions are not intended to change the law regarding the immunity of an arbitrator from civil liability. The bill would specify its application to certain arbitration proceedings or self-regulatory organization (SRO) that administers a consumer arbitration in violation of specified provisions of law shall, in the court's discretion, be subject to disgorgement of any administrative fee obtained as a result of that violation.~~

(2) Existing law requires a court to vacate an arbitration award under specified circumstances.

This bill would prohibit an arbitrator or private arbitration company involved in a consumer arbitration from conducting or administering further arbitration of the dispute if a court vacates the award, *unless the consumer party elects otherwise in writing prior to any rearbitration of the matter.*

(3) *This bill would provide that it shall become operative only if it and Assembly Bills 2574, 2915, and 3029 are enacted and become effective on or before January 1, 2003.*

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section ~~1280.1~~ 1281.84 is added to the Code of
- 2 Civil Procedure, to read:
- 3 ~~1280.1. (a) Except as provided in this section, a private~~
- 4 ~~arbitration company is not immune from liability in a civil action~~
- 5 ~~with respect to a consumer arbitration.~~
- 6 ~~(b) A private arbitration company may be immune from civil~~
- 7 ~~liability for the acts and omissions of an arbitrator it provides in a~~
- 8 ~~consumer arbitration to the same extent that an arbitrator may have~~
- 9 ~~immunity.~~
- 10 ~~(c) A contract provision, rule of procedure, or policy that~~
- 11 ~~purports to immunize or limit the liability of a private arbitration~~
- 12 ~~company in a consumer arbitration contrary to this section violates~~
- 13 ~~public policy and is void.~~
- 14 ~~(d) This section is not intended to change the law whether, or~~
- 15 ~~in what circumstances, an arbitrator may be immune from civil~~
- 16 ~~liability.~~

~~(c) This section applies to:~~

~~(1) All consumer arbitration agreements subject to this article.~~

~~(2) Consumer arbitration proceedings conducted in California.~~

1281.84. Any private arbitration company or self-regulatory organization (SRO) that administers a consumer arbitration in violation of Section 1281.6, 1281.81, 1281.82, 1281.92, or 1284.3 shall be subject, at the discretion of the court, to disgorgement of any administrative fee obtained as a result of the violation of these sections.

SEC. 2. Section ~~1286.5~~ *1287.1* is added to the Code of Civil Procedure, to read:

~~1286.5.~~

1287.1 If a court vacates an award in a consumer arbitration, an arbitrator or private arbitration company involved in the arbitration may not conduct or administer any further arbitration of the dispute, unless the consumer party so elects in writing prior to any re-arbitration of the matter.

SEC. 3. *This act shall become operative only if this bill and Assembly Bills 2574, 2915, and 3029 are enacted and become effective on or before January 1, 2003.*